App. Serial No.: 09/617,361
Atty. Docket No.: 0013-011

The standard for anticipation is set forth in M.P.E.P. § 2131 as follows:

> "A claim is anticipated only if each and every element as set forth
> in the claim is found, either expressly or inherently described, in a
> single prior art reference." Verdegaal Bros. v. Union Oil Co. of
> California, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). "The identical
> invention must be shown in as complete detail as is contained in
> the ... claim." Richardson v. Suzuki Motor Co., 9 USPQ2d 1913,
> 1920 (Fed. Cir. 1989).

Claims 1-4 and 14-16

The Examiner writes (in part):

> With respect to claims 1, 14, Cohen teaches a computer
> system and corresponding computer method for verifying a
> commercial transaction comprising ... an authorization module
> responsive to receipt of said transaction approval request and
> operative to transmit an approval to said merchant only if said
> transaction approval request is verified by said account-holder (i.e.
> in accounts where the transaction is in excess of the predetermined
> ceiling, an approval or verification of identity will be required for
> the account holder)(col. 9, lines 58 to col. 10, lines 1-3), and
> wherein said authorization module responsive to instructions from
> said account-holder is operative to automatically verify subsequent
> transaction approval requests without further input from said
> account-holder (i.e. on subsequent purchases that are not in excess
> of the predetermined ceiling, the transaction will be conducted
> without verification of identity from the account holder (col.9,
> lines 58 to col. 10, line 1-3).

The passage of Cohen cited by the Examiner states (in part):

> In this embodiment, if a transaction is attempted with any one card
> which is in excess of the predetermined ceiling for a single card,
> the card use can be temporarily blocked or subject to verification
> of identity, to verify that the card was not stolen and being used
> illegally for large transactions.

Applicant does not disagree with the Examiner's interpretation of this passage. As the
Examiner indicates, if a transaction is in excess of the predetermined ceiling, "Cohen does not
automatically decline the particular transaction but verifies **the identity of the card holder** for

this large transaction that doesn't meet the pre-transaction requirements." (emphasis added)
What is being verified is the identity of the person trying to use the card for the transaction.

Claim 1, however, does not claim verifying the identity of a cardholder attempting a
transaction. Rather, Claim 1 is directed to a computer system capable of verifying transactions
with an account-holder as part of the authorization process. In particular, Claim 1 recites "an
account-holder communications module operative to facilitate a separate connection with said
account-holder for verifying said transaction approval request." and "an authorization module
responsive to receipt of said transaction approval request and operative to transmit an approval to
said merchant only if said transaction approval request is verified by said account-holder."
According to Claim 1, the authorization module verifies the transaction approval request with the
account-holder.

In contrast, according to Cohen an unspecified entity (presumably a merchant requesting
an approval) verifies the identity of another unspecified entity (presumably an individual trying
to use the card to pay the merchant). Cohen does not disclose that the user's identity is verified
via a connection separate from the connection between the merchant communications module
and the merchant.

When comparing the cited passage of Cohen with the claimed invention, it is clear that
there are different entities verifying different things. First, according to Claim 1, the
authorization module of the computer system is doing the verifying, whereas in Cohen it would
appear to be a merchant doing the verifying. Second, according to Claim 1, the computer system
verifies the transaction approval request, whereas according to Cohen the card-holder's identity
is verified. The embodiments of Cohen cited by the Examiner simply do not disclose a system
that verifies transactions with an account-holder as part of the approval process.

Although not specifically cited by the Examiner, Applicant respectfully draws the
Examiner's attention to Col. 7, Lines 1-19 of Cohen, which does disclose an embodiment
wherein the user verifies transactions. In particular, that passage states:

> Although a disposable credit card number system is
> preferred, as described above, alternatively, a special, separate
> (disposable or customized credit card number could even be
> assigned specifically for use over the Internet, whose use is subject
> to higher security measures, whether usable one or than once. For
> example, after use, the user would have to call into the credit card
> company to verify the transaction, or the credit card company

would call the user at a predetermined number (e.g. the user's
home number) to verify that the user made the transaction. This
alternative system could be used for example, exclusively with
Internet transactions on secure connections, to provide an
additional level of comfort to those users who are uncomfortable
with transmission of credit card information even over secure
connections. In the event of problems, this separate Internet credit
card number could be deactivated separately from the main credit
card number associated with the account.

Applicant has carefully reviewed the Cohen reference, and this passage appears to be the only

passage directed to user verification of transactions.

Applicant notes that the cited passage is silent with respect to the transmission of an

approval to a merchant. Although user verification appears to be required, the reference does not

disclose "an authorization module ... operative to transmit an approval to said merchant only if

said transaction approval request is verified by said account-holder," as recited in Claim 1.

Nothing in the cited passage requires that the verification process be part of the approval process.

Indeed, it appears more likely that the verification process is intended simply to identify

fraudulent activity. Note the last sentence of the cited passage, which indicates that the card

could be deactivated in the event of problems. If user verification was required as part of the

approval process, there would be no need to deactivate the card, even if someone attempted to

use the card without authority.

Another important distinction between Cohen and Claim 1 is that the system of Claim 1

allows a user to disable the verification process. In particular, Claim 1 recites "wherein said

authorization module responsive to instructions from said account-holder is operative to

automatically verify subsequent transaction approval requests without further input from said

user." Cohen does not disclose this element of Claim 1.

Disabling a verification function as disclosed in Applicant's specification should not be

confused with the customized limited uses of Cohen. As indicated above, Claim 1 is directed to

a system that verifies transaction approval requests with an account-holder as part of the

approval process. Automatically verifying transaction approval requests effectively disables the

verification process for a particular card-holder. See, for example, Applicant's specification at

Page 13, Lines 18-21. The "automatically verify" language is consistent with Applicant's

description of disabling the verification process in the specification. For example, at Page 26,

Lines 12-14, Applicant's specification provides: "If, in fourth step 808, authorization module 226 determines that verification is not required (i.e., disabled), then in a seventh step 814 verified flag 414 is automatically set to 1 to indicate that the TAR has been verified." In contrast, the customized limited uses of Cohen are simply restrictions on the card use. The passage of Cohen cited by the Examiner states: "These credit cards can be customized by the user such that they are only suitable or usable for particular subuses, for particular subframes of time, or so forth. (Col. 7, Lines 21-24, emphasis added) These restrictions have nothing whatsoever to do with the verification of transactions by the account-holder or disabling a verification process.

In summary, Cohen does not disclose a system that facilitates user verification of transactions as part of the transaction approval process and a means to selectively disable the verification process. Indeed, there would be no motivation to disable the verification process disclosed in Cohen, because the verification feature is applied to a separate card provided specifically for use where verification is desired. If the user desired to use a card not subject to verification, the user could simply use the "main credit card." (Cohen, Col. 7, Lines 1-19)

For at least the reasons set forth above, Applicant respectfully asserts that Cohen does not disclose all of the limitations of Claim 1 and does not, therefore, anticipate Claim 1. Applicant respectfully requests reconsideration and withdrawal of the rejection of Claim 1 under 35 U.S.C. §102.

Claims 2-4 and 14-16 depend either directly or indirectly from Claim 1 and are, therefore, distinguished from the cited prior art for at least the reasons provided above with respect to Claim 1.

Claim 8:

Claim 8 is further distinguished from Cohen, because Cohen does not disclose disabling notification to the account-holder. With respect to the verification process, Cohen merely states: "For example, after use, the user would have to call into the credit card company to verify the transaction, or the credit card company would call the user at a predefined number (e.g. the user's home number) to verify that the user made the transaction." There is no indication that "any notification to said account-holder is disabled," as recited in Claim 8.

App. Serial No.: 09/617,361
Atty. Docket No.: 0013-011

For at least the foregoing reasons, Applicant requests reconsideration and withdrawal of the rejection of Claim 8. Claims 9-12 depend from Claim 8 and are, therefore, distinguished over the cited reference for at least the same reasons.

Claim 16:

Claim 16 is further distinguished from Cohen, because Cohen does not disclose an authorization module operative to "transmit a verification request identifying said transaction approval request to a third-party that verifies transaction approval requests with said account-holder; and receive indicia of verification from said third-party indicating whether said account-holder has verified said transaction approval request," as recited in Claim 16.

The passage of Cohen cited by the Examiner (Col. 12, Line 34 to Col. 13, Line 6) relates to particular methods for the user to customize/alter the credit cards disclosed therein. The passage does not relate at all to verification of transactions with an account-holder.

Further, the Examiner is characterizing the credit card company as the third party, which means that the computer system and authorization module of Claim 16 must be of an entity other than the credit card company. Cohen discloses no such other entity with a computer system operative to transmit a verification request to the credit card company and to receive indicia of verification from the credit card company. Indeed, this would also mean that the transaction approval would also be generated by an entity other than the credit card company. Cohen does not disclose such a system.

For at least the foregoing reasons, Applicant respectfully requests reconsideration and withdrawal of the rejection of Claim 16.

Claim 17:

Claim 17 recites: "receiving instructions from said account-holder to selectively enable or disable said step of electronically verifying said transaction approval request." Therefore, Claim 17 is distinguished over Cohen for at least the reasons provided above with respect to Claim 1. Claims 18-20, 24-28 and 30-32 depend, either directly or indirectly from Claim 17 and are, therefore, distinguished from Cohen for at least the same reasons.

For at least the foregoing reasons, Applicant respectfully requests reconsideration and withdrawal of the rejections of Claims 17-20, 24-28, and 30-32.

App. Serial No.: 09/617,361
Atty. Docket No.: 0013-011

Claim 24:

Claim 24 recites (in part): "wherein said step of electronically verifying said transaction approval request with said account-holder includes disabling any notification to said account-holder and waiting for said account-holder to initiate communication with said computer system." Therefore, Claim 24 is distinguished from the cited reference for at least the reasons provided above with respect to Claim 8. Claims 25-28 depend from Claim 24 and are, therefore, distinguished from Cohen for at least the same reasons as Claim 24.

For at least the foregoing reasons, Applicant respectfully requests reconsideration and withdrawal of the rejections of Claims 24-28.

Claim 32:

Claim 32 recites (in part): "transmitting a verification request identifying said transaction approval request to a third-party for verification of said transaction approval request with said account-holder; and receiving indicia of verification from said third-party indicating whether said account-holder verified said transaction approval request." Claim 32 is allowable over the cited reference for at least the reasons provided above with respect to Claim 16. Applicant, therefore, respectfully requests reconsideration and withdrawal of the rejection of Claim 32.

Claims 33-44 and 46-48:

Claims 33-44 and 46-48 are computer-readable medium claims that depend respectively from Claims 17-28 and 30-32, respectively. Claims 33-44 and 46-48 are, therefore, distinguishable over Cohen for at least the reasons provided above with respect to their respective base claims.

Claim 49:

Claim 49 recites (in part): "any prior notification to said account-holder regarding said transaction being disabled." Therefore, Claim 49 is distinguishable over Cohen for at least the reasons provided above with respect to Claim 8. Applicant respectfully requests reconsideration and withdrawal of the rejection of Claim 49.

Claim 50:

Claim 50 recites (in part): "a financier communications module operative to facilitate a connection with a financier for receiving a verification request related to said commercial transaction, an account-holder communications module operative to facilitate a connection with said account-holder for verifying said commercial transaction, and an authorization module responsive to receipt of said verification request and operative to transmit an approval to said financier only if said commercial transaction is verified by said account-holder."

The passage cited by the Examiner (Col. 12, Line 34 to Col. 13, Line 6) relates to methods for a card-holder to interact with the credit card company in order to customize and activate the customized cards described in Cohen and to review charge histories. The passage has nothing at all to do with verification of transactions with an account-holder. Cohen does not disclose a computer that establishes a connection with a financier (e.g., a credit card company) and a connection with an account-holder, verifies a transaction with the account-holder, and transmits indicia of verification to the financier.

For at least the foregoing reasons, Applicant respectfully asserts that Cohen does not anticipate Claim 50. Therefore, Applicant requests reconsideration and withdrawal of the rejection of Claim 50. Should the Examiner maintain the rejection of Claim 50, Applicant respectfully requests clarification with respect to which entities in Cohen the Examiner is characterizing as the account-holder, the retailer, and the financier.

Claim 51:

Claim 51 recites (in part): "said electronic verification including disabling any notification to said account-holder and waiting for said account-holder to initiate communication with said computer system." Therefore, Claim 51 is distinguished over Cohen for at least the reasons provided above with respect to Claim 8. Applicant respectfully requests reconsideration and withdrawal of the rejection of Claim 51. Claim 52 is a computer-readable medium claim that depends from Claim 51 and is, therefore, distinguishable over Cohen for at least the same reasons.

App. Serial No.: 09/617,361
Atty. Docket No.: 0013-011

Claim 53:

Claim 53 recites (in part): "receiving a verification request associated with said commercial transaction from a financial institution that approves transactions between account-holders and merchants; electronically verifying said associated commercial transaction with said account-holder; and transmitting indicia of verification to said financial institution only if said associated commercial transaction is verified by said account-holder." Therefore, Claim 53 is distinguished over Cohen for at least the same reasons as Claim 50 above, and Applicant respectfully requests reconsideration and withdrawal of the rejection of Claim 53. Claim 54 is a computer-readable medium claim that depends from Claim 53 and is, therefore, distinguishable over Cohen for at least the same reasons.

Should the Examiner maintain the rejection of Claim 53, Applicant respectfully requests clarification with respect to which entities in Cohen the Examiner is characterizing as the account-holders, the merchant, and the financial institution.

For the above reasons Applicants request reconsideration and withdrawal of all rejections under 35 U.S.C. § 102.

Rejections Under 35 U.S.C. § 103

Claims 5-12, 21-23, and 37-39 are rejected under 35 U.S.C. § 103 as being unpatentable over Cohen in view of Official Notice.

In order to establish a prima facie case of obviousness, the prior art reference (or references when combined) must teach or suggest all of the claim limitations. M.P.E.P. §2143.

Each of Claims 5-12, 21-23, and 37-39 depend, either directly or indirectly, form either Claim 1 or Claim 17. As indicated above with respect to the 35 U.S.C. §102 rejections of Claims 1 and 17, Cohen does not disclose all of the limitations of either of those claims. Therefore, Cohen cannot disclose all of limitations of any of dependent Claims 5-12, 21-23, and 37-39. Furthermore, the Official Notice taken by the Examiner does not teach or suggest the above described elements of Claims 1 and 17 that distinguish over Cohen.

9 of 11

App. Serial No.: 09/617,361
Atty. Docket No.: 0013-011

Because the prior art does not teach or suggest all of the claim limitations, no prima facie case of obviousness is established with respect to any of Claims 5-12, 21-23, and 37-39. Therefore, Applicant respectfully requests withdrawal of the rejections under 35 U.S.C. §103.

<u>Double Patenting Rejections:</u>

Claims 1-12, 14-28, 30-44 and 46-54 are provisionally rejected under the judicially created doctrine of double patenting over claims 1-36 of copending U.S. Patent Application No. 09/760,271. A terminal disclaimer is filed herewith to obviate the double patenting rejections. Therefore, withdrawal of the double patenting rejections of Claims 1-12, 14-28, 30-44 and 46-54 is respectfully requested.

<u>Response to Arguments</u>

With respect to Applicant's previously filed arguments, the Examiner states:

> Applicant's arguments filed 11/15/2004 have been fully considered but they are not persuasive.
> Applicant argues that Cohen doesn't teach verifying the transaction approval request with said account-holder if at least one pre-qualification criteria is not satisfied. As stated above in the rejection, Cohen teaches that if a transaction is in excess of the predetermined ceiling then the transaction is subject to verification (col. 9, line 65 to col. 10, lines 1-3). In this case, Cohen does not automatically decline the particular transaction but verifies the identity of the card-holder for this large transaction that doesn't meet the pre-transaction requirements.

Applicant respectfully points out that the arguments filed 11/15/04 to which the Examiner is responding were filed in a related continuation-in-part case, and not in the present case. Applicant filed arguments directed to the Cohen reference in the present case on 11/23/04. That response included several arguments directed to the Cohen reference (Pages 24-25), but none of those arguments are responded to in the present Office Action. Applicant respectfully requests that the Examiner consider Applicant's arguments filed 11/23/04, as well as those presented herein, and respond to each of Applicant's arguments if there is another office action on the merits.

10 of 11

App. Serial No.: 09/617,361
Atty. Docket No.: 0013-011

For the foregoing reasons, Applicants believe Claims 1-12, 14-28, 30-44, and 46-54 are in condition for allowance. Should the Examiner undertake any action other than allowance of Claims 1-12, 14-28, 30-44, and 46-54, or if the Examiner has any questions or suggestions for expediting the prosecution of this application, the Examiner is requested to contact Applicant's attorney at (269) 279-8820.

Respectfully submitted,

Date:____8/29/05____

Larry E. Henneman, Jr.

Larry E. Henneman, Jr., Reg. No. 41,063
Attorney for Applicant(s)
Henneman & Saunders
714 W. Michigan Ave.
Three Rivers, MI   49093

CERTIFICATE OF FACSIMILE TRANSMISSION (37 CFR 1.8(a))
I hereby certify that this paper (along with any referred to as being attached or enclosed) is being transmitted via facsimile, on the date shown below, to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, at (571) 273-8300.

Date:____8/29/05____   _Larry E. Henneman, Jr._

Larry E. Henneman, Jr.

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11 of 11